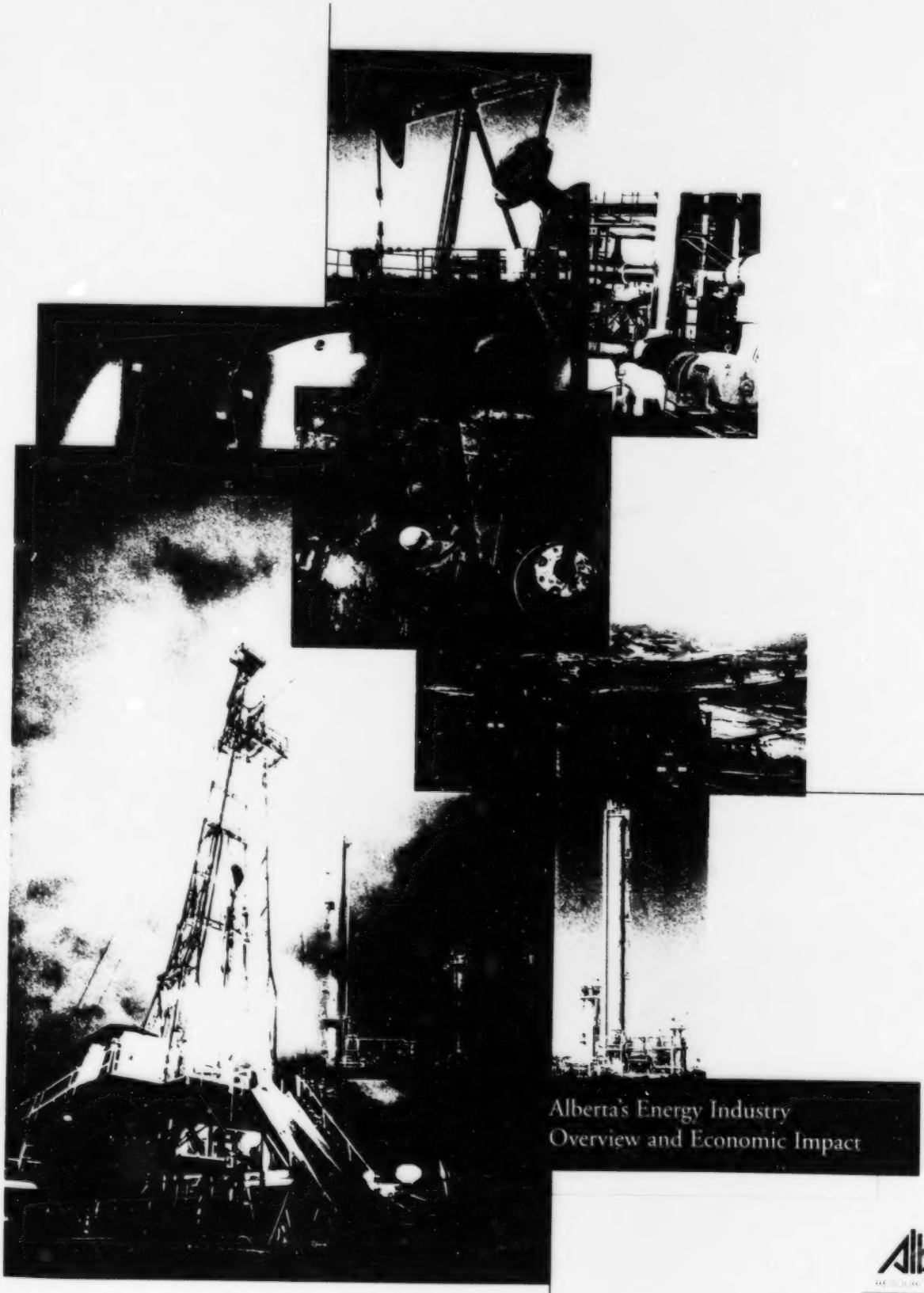

Alberta's Energy Industry
Overview and Economic Impact

Alberta

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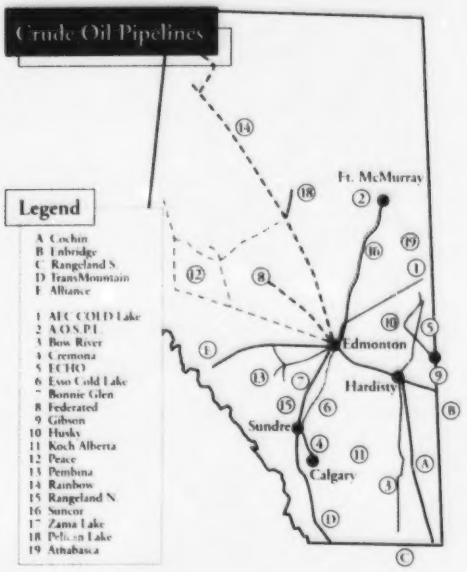
Oil Sands and Conventional Oil

Crude Oil Pipelines



Crude Oil Resources (1999)

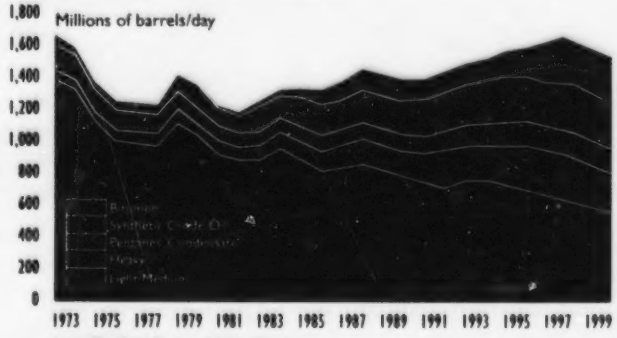
(Billion Barrels)	Oil Sands*	Conventional
In Place	1,631	59.4
Remaining Ultimate Potential	305	5.7
Initial Established	178	15.9
Cumulative Production	3	14.0
Remaining Established	175	1.9

Source: The Alberta Energy and Utilities Board

* Oil sands consist of a black, tar-like mixture of sand, clay, water, and bitumen, which in its natural state is not commercially recoverable through a well.

- Alberta has the largest oil sands resource in the world, containing 1.7 trillion barrels of bitumen in place. Of this total, almost 300 billion barrels are considered potentially recoverable under anticipated technology and economic conditions. To date, less than 1% of the ultimately recoverable resource has been produced.

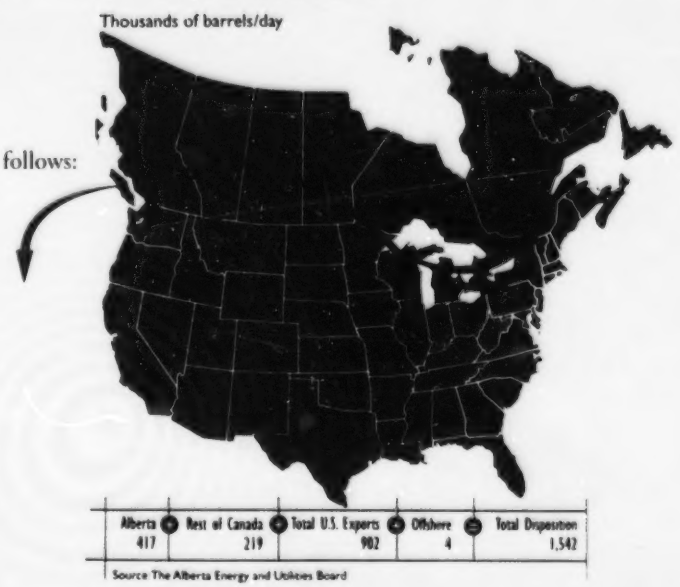
Total Liquid Petroleum Production



Source: The Alberta Energy and Utilities Board

- Currently, oil sands production represents 38% of Alberta's, and 30% of Canada's, total crude oil production. This is expected to reach 50% of the Canadian and 10% of the North American production within the next ten years.
- Alberta's vast oil sands, coupled with an effective and competitive royalty regime and advancing technology, make this area an attractive energy investment opportunity.

Disposition of Crude Oil (1999)



Source: The Alberta Energy and Utilities Board

- Disposition of Alberta's oil production in 1999 was as follows:
  - 58% to the United States
  - 27% for use within Alberta
  - 14% to the rest of Canada
  - 1% for offshore use (destined for Asia)

(1 barrel = 6.2923 m^3)

Natural Gas

Natural Gas Pipelines

Natural Gas Resources (1999)

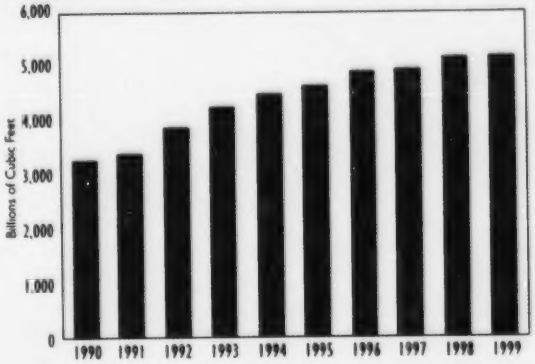
Billions of Cubic Feet	Conventional Natural Gas
Initial Established	139,110
Cumulative Production	96,261
Remaining Established	42,849
Yet to Be Established	59,655
Ultimate Potential	198,765
Remaining Ultimate Potential	102,506

Source: The Alberta Energy and Utilities Board

- Alberta has a large natural gas resource base. The Alberta Energy and Utilities Board estimates that Alberta has 200 trillion cubic feet of ultimately recoverable conventional natural gas. This range of reserves does not include Alberta's enormous non-conventional natural gas resource potential.
- Alberta's non-conventional natural gas resource, including coal-bed methane and tight gas, could potentially satisfy our needs for hundreds of years if further technological improvements make this resource economic to develop.

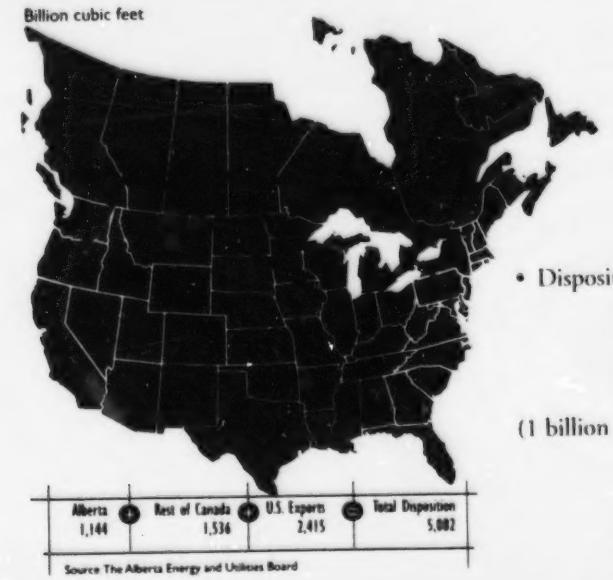
- Alberta currently produces over five trillion cubic feet of gas every year. This represents approximately 80% of Canada's total natural gas production. Alberta gas production is expected to continue to grow, feeding into expanding US markets via increased export pipeline capacity.

Natural Gas Volumes



Source The Alberta Energy and Utilities Board

Disposition of Natural Gas (1999)



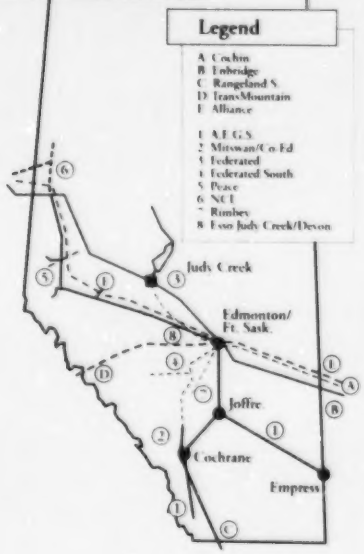
Source The Alberta Energy and Utilities Board

- Disposition of Alberta's natural gas production in 1999 was as follows:
  - 47% to the United States
  - 31% to the rest of Canada
  - 22% for use within Alberta

(1 billion cubic feet (Bcf) = 28,328,000 m^3)

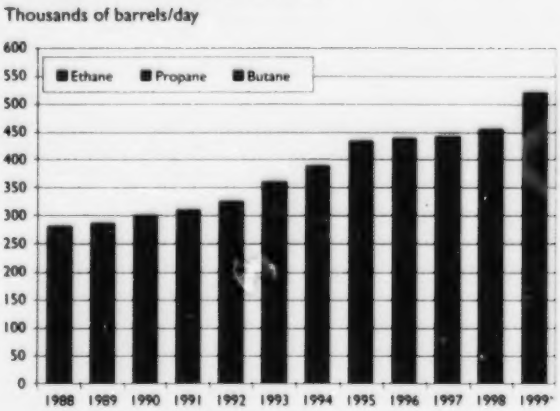
Petrochemicals

Natural Gas Liquids Pipelines



- A world-class petrochemical industry has developed in Alberta. The principal business relates to the value-added upgrading of our natural resources, particularly ethane, into ethylene and ethylene derivatives. Alberta's petrochemical industry is comprised of:
  - ethylene and ethylene derivatives based primarily on ethane
  - methanol and methanol derivatives based on natural gas
  - ammonia and ammonia fertilizer

Production of Natural Gas Liquids



* Includes gas plant and refinery production for propane and butanes
Source: The Alberta Energy and Utilities Board

- Alberta's ethylene capacity will nearly double as a result of expansions at Nova's Joffre site and at Dow's Fort Saskatchewan site. The new ethylene cracker constructed at Joffre, which is a joint venture between Nova Chemicals and Union Carbide, makes the Joffre complex the largest ethylene production facility in the world.

- A major expansion of Alberta's petrochemical industry is underway. This will increase production capacity of ethylene, polyethylene, ethylene glycol, linear alpha olefins, and acetic acid. Collectively, total investment will be approximately $3 billion dollars and will be onstream by 2001.

Exports of Chemicals and Chemical Products

Source: Alberta Treasury

Economic Impact

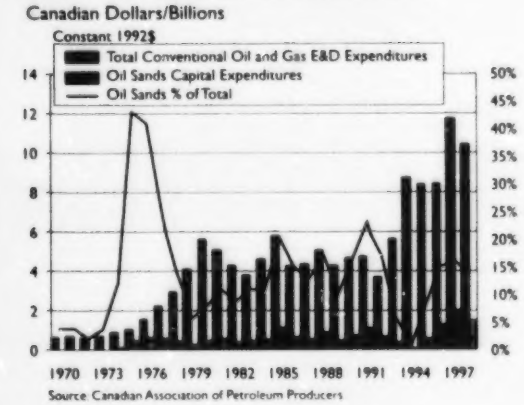
Alberta's Energy Sector Highlights

- In 1999, Alberta accounted for 69% of all the energy produced in Canada: 65% of Canada's conventional oil, 80% of natural gas, and 100% of bitumen and synthetic crude oil.
- Alberta's energy industry makes up approximately 20 percent of the province's Gross Domestic Product.
- Energy products were almost 40% of Alberta's total exports in 1998.
- Over 30% of total capital investment in the province came from the energy industry.
- Over 200,000 people are directly employed in Alberta's upstream energy industry.
- Alberta's energy sector has an energetic, well-educated and skilled workforce.
- Top-ranked energy technology centres and advanced education institutions have put Alberta at the forefront of energy technology and development.
- A provincially regulated pipeline network of almost 267,000 kilometres lies within Alberta. This is connected to federally regulated pipelines providing access to the continent's markets.
- Alberta's stable and supportive political environment, along with effective and competitive regulatory and royalty systems, has fostered a thriving energy industry.
- Alberta's non-renewable energy resource revenue contributes about 20% of the province's total budget.

Industry Activity

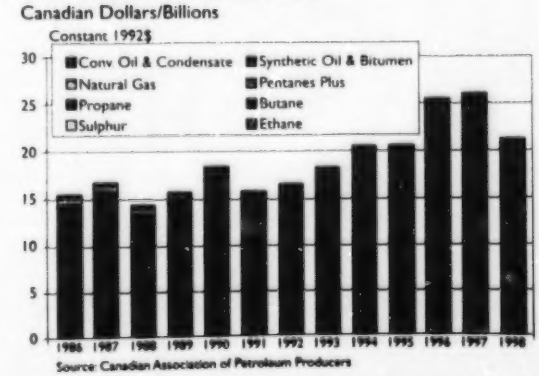
- In 1999, 7,718 wells were completed in Alberta, representing 75% of Canadian well completions.
- Throughout the 1990s, about 75% of all active rigs in Canada have been drilling in Alberta.
- There were 10,967 well licenses issued in the province in 1999. This is the third highest number of license issued in Alberta during the 1990s.

Investment in Alberta's Petroleum Industry



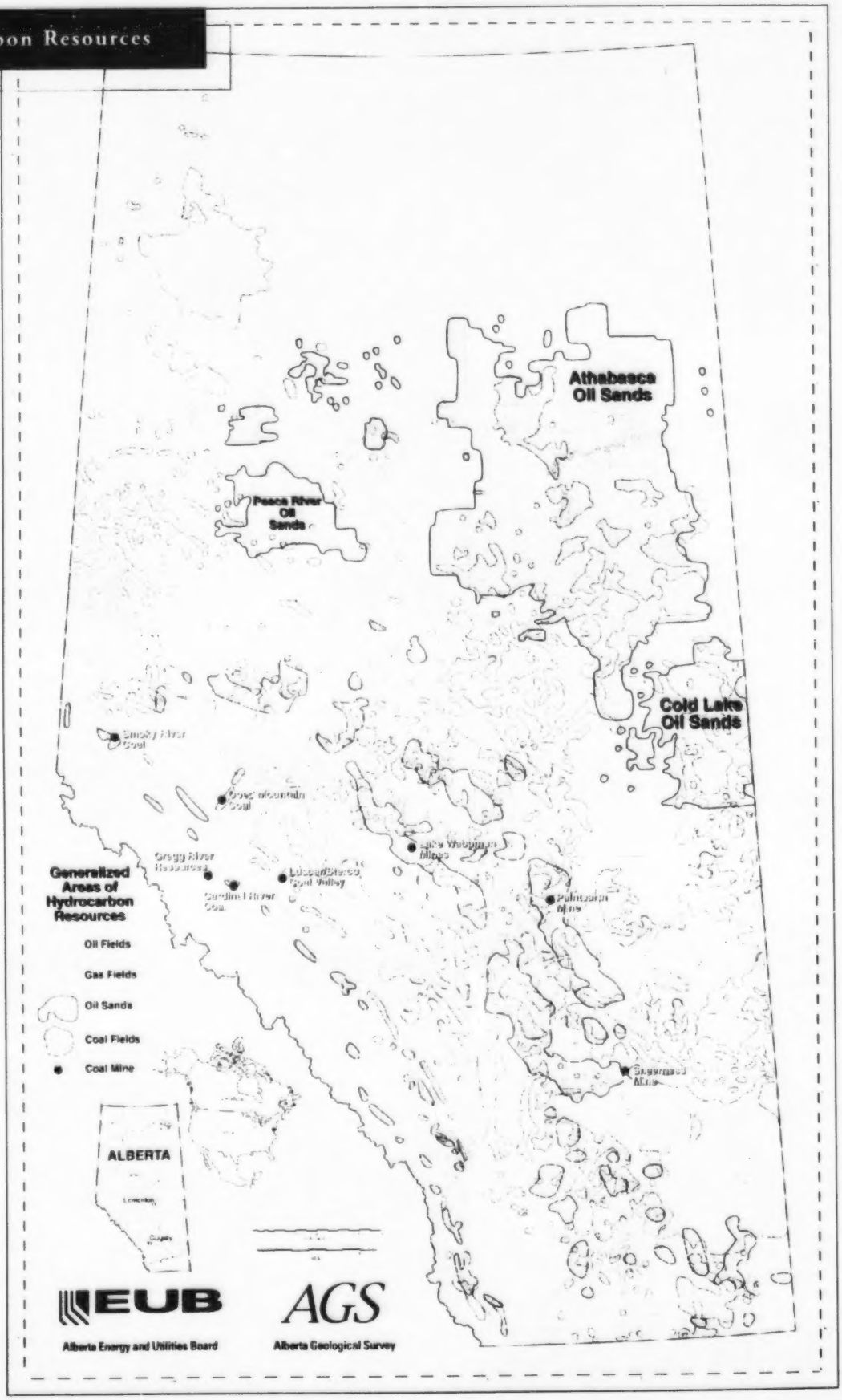
- Annual investment from the petroleum industry in Alberta has been between $8 and $12 billion in recent years.
- Oil sands investment will increase over the next several years based on announcements of $25 billion of investment intentions to 2010.

Value of Production in Alberta



- Expected investment in the oil sands and natural gas industries will result in increased production levels supporting a higher value of the resources in upcoming years.

Hydrocarbon Resources



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